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# Housing rehabilitation working in Hoboken

**Chester Smolski**

HOBOKEN, New Jersey — One may not believe the argument but George Kohn, executive vice president of Applied Housing Associates, makes an interesting point. His business is housing, and he raises the question of where one should live — Manhattan or Hoboken. Why live on Manhattan's West Side, he asks, and pay \$1,000 a month to wake each morning and view the flat, industrial and boring New Jersey landscape across the Hudson? Why not live in Hoboken, at a \$250 monthly rental, and view the fantastic, and only one like it in the world, Manhattan skyline to the east? Thirty cents and a 12-minute PATH subway ride from Hoboken will bring one directly into Manhattan below Gimbels at 33rd Street.

Hoboken is definitely not a first-class address. In Rhode Island we marvel at the density of 17,000 people living on one square mile of Central Falls with its ubiquitous wood-frame, three deckers. In Hoboken they pack 46,000 people into their one square mile in brick row houses five stories high. Since these houses are not separated to provide some parking between buildings, as in Central Falls, Hoboken resembles one depressingly huge parking lot interspersed with domino-like houses lined up in long parallel rows. The 30,000 daily New Jersey commuters who come to take the PATH train add their hundreds of cars to the confusing scene. Frank Sinatra was born in this city but does not publicize the fact.

Like so many other residents of older cities of the Northeast, Hoboken citizens do not fare well in their economic standings. Median family income is \$10,500 compared with the state median of \$16,700; 22 percent of the population is

below the poverty level; 20 percent of families are on welfare; and in the first quarter of 1979, nearly 16 percent of the labor force was unemployed. Nearly one-third of the population speaks Spanish.

These data indicate the necessity for providing all types of social services to the many families in need. And nowhere is this need greater than in housing. Yet the housing stock also suffers, with four of every five housing units built prior to World War II; 87 percent of the 16,000 units occupied by renters; and one of every five units classed as substandard. But given these difficult conditions of housing stock, it is in the area of rehabilitated housing that Hoboken has made a significant contribution, one which has given it national recognition in the field.

Recognizing that rehabilitated housing can stabilize neighborhoods and halt the out-migration of middle-class citizens, the city has given high priority to restoring housing, and one of every four units since 1970 has now been rehabilitated. To this end, the city makes extensive use of its community development funds by providing loans and grants for rehabilitation, provides incentives through tax abatements, guarantees home mortgages through insurance programs, promotes "sweat equity" housing, a process that has encouraged some Manhattanites to move in and fix up brownstones, and made use of various federal housing programs, most notably Section 8.

With the passage of the Housing and Community Development Act of 1974, the Lower Income Housing Assistance Program (Section 8) came into existence. The program allows tenants to choose their own housing and pay no more than 25 percent of their income as their rent, the federal government paying the difference between that figure and the total rent. This is now the principal means by which Rhode Island and the nation pro-

vide subsidized housing for low-income people.

Of the 3,700 units rehabilitated since 1970, approximately 1,000 have been done by Applied Housing Associates, a firm highly regarded in the field. The *Trenton Times* states that it "has a national reputation for excellence in building and maintaining this kind of urban housing with careful tenant selection."

Walter Barry, president of the firm, claims the key to their success lies in tenant selection, tenant management and strong maintenance. Kohn explains that tenants are visited in their homes prior to moving into one of Applied's units to determine if the family is stable, has a good credit record, and ascertain that they have a clean home. The result, he claims, is good tenants who, when given good management and maintenance, are satisfied tenants.

It is important to note that most of the 1,700 units rehabilitated by Applied in Hoboken and in Hudson County are for families, averaging 2.2 bedrooms but with 4 bedrooms common, quite different from Rhode Island with its emphasis on housing for the elderly with small units.

Applied's success has made financing of their projects relatively simple with shares sold to high-income buyers as tax shelters. Profits in this lucrative business have also drawn in other developers to the Hoboken area, but it is Applied Housing that is still the leader.

For too long, subsidized housing for low- and moderate-income families has received bad publicity, whether in Providence or St. Louis, but in Hoboken it works well and provides a model that developers and housing officials in Rhode Island could well investigate to determine how they could better build, manage and maintain such housing.

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